

INTRODUCTION

INTEREST RATE FOR A DEBT COLLECTION AGENCY IN US

Debt collection in simple terms is the collection of the delinquent *debt* amount from the debtor. Debt incurred to a creditor is collected either directly by the creditor himself or is assigned to an agent. A debt collection agency is a business that pursues payments on debts owed by individuals or businesses to another. Most collection agencies operate as agents of creditors and collect debts for a fee or percentage of the total amount owed. Debt collection can be pursued through courts as well. The US laws that regulate the conduct of this activity are the Fair Debt Collection Practices Act (FDCPA), the Fair Credit Reporting Act (FCRA) and the relevant state laws. The FDCPA defines a debt collector as any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due to another (15 USC 1692-803-6). It includes a creditor collecting his own debt in a different name.¹

The FDCPA lays down the rules to be followed by a person engaged in debt collection. It prohibits certain practices during the process of debt collection. It permits debt collectors to sue consumers to obtain court judgments and then collect on past due bills by garnishment of wages and bank accounts (section 811).

Debt collectors are prohibited from engaging in unfair, deceptive, or abusive practices while collecting debts due.² Title 15 USC Chapter 41 subchapter V (Debt Collection Practices) section 1692 provides that the debt collectors are required to comply with the laws of any State with respect to debt collection practices, except to the extent that those

¹ See Section 803 (6) “..... Notwithstanding the exclusion provided by clause (F) of the last sentence of this paragraph, the term includes any creditor who, in the process of collecting his own debts, uses any name other than his own which would indicate that a third person is collecting or attempting to collect such debts. For the purpose of section 808(6), such term also includes any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the enforcement of security interests.....”

² See section 806 and 807 of the FDCPA available at <http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre27.pdf>

laws are inconsistent with any provisions laid down in the FDCPA, and then only to the extent of the inconsistency. It recognizes any additional or greater protection provided by a State law not to be inconsistent with Title 15 USC subchapter 41 if the protection such law affords any consumer is greater than the protection provided by subchapter 41.

The collection agencies are permitted to impose only such rate of interest, fee, charge, or expense incidental to the principal obligation as is expressly authorized by the agreement creating the debt or permitted by law (Section 808 of the FDCPA).³ The interest rates identifiable for debt collection are provided in the contract and each state law prescribes the format in which interest can be calculated in all businesses. A debt collector is required to collect such interest as is prescribed in the agreement between the creditor and the borrower. In terms of initiation of debt collection through the Court the collectors are required to collect interest as per the terms of the contract or agreement and in the absence of a contract state laws prescribes the rate at which interest can be collected based on the amount that is due. Judgment interest shall be allowed on any money judgment in a civil case recovered in a district court as per USC Title 28, Chapter 125 Section 1961.⁴ This interest rate in the judgment shall be calculated from the date of the entry of the judgment, at a rate equal to the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the calendar week preceding the date of the judgment and is computed daily to the date of the payment with certain exceptions as provided in the section.

The most effective method to collect on a legal judgment is to garnish a debtor's wages. In garnishment the court will send or serve an order of garnishment to the employer. This requires the employer to deduct a certain percentage of the debtor's paycheck and forward

³ Section 808 - A debt collector may not use unfair or unconscionable means to collect or attempt to collect any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

- (1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law.

⁴ Available at http://www.law.cornell.edu/uscode/html/uscode28/usc_sec_28_00001961----000-.html#FN-1REF

it to the court, which in turn forwards the money to the collection attorney. In federal law, the amount of the garnishment cannot exceed 25% of disposable earnings or the amount of earnings exceeding 30 times the minimum hourly wage (15 U.S.C. Chapter 41 subchapter II Section 1673). Some states have additional restrictions on garnishment as well.

The table appended along with this note details the interest rate on money provided in the various state laws. The legal interest identified is the maximum rate that can be fixed in a contract, lending money, in the absence of a different rate between the parties to the contract. The judgment interest rate is the one that is prescribed by a Court approached by the Debt Collector to collect the debt due to the creditor. The Court shall prescribe such interest rate as mentioned in the contract and in the absence of such an interest rate in the contract the court shall prescribe the maximum rate fixed by the State laws. The judgment rate is applicable only in case where the collector approaches the Court to obtain the amount due on the debt. The table also contains details of the percentage of wages that can be garnished by the creditor. The Court provides the rate of garnishment. The creditor cannot garnish the wages in the absence of a Judgment prescribing the same. The Federal laws and State laws prescribe the limits to which wage of a person can be garnished. Most of the States apply the Federal laws. The Federal law provides Courts to follow the following standard rate for garnishment - 25 % or 30 times the minimum wages and in certain cases 50% (in case of individuals supporting his spouse or dependent child (other than a spouse or child with respect to whose support such order is used) and 60% (individual is not supporting such a spouse or dependent child under a court order).⁵ It has also included the bond and the license requirements as per the State laws for the operation of a collection agency.

⁵ See Section 1673 of Title 15 of the US Code available at - http://www.law.cornell.edu/uscode/html/uscode15/usc_sec_15_00001673----000-.html

Sl. no.	State & Laws	Rates of Interest Chargeable ⁴	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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1.	Alabama Code of Alabama (C.O.A)	Legal - 6% per annum on loan or forbearance of money, goods, or things in action (C.O.A 8-8-1). Judgment- 12% per annum. (C.O.A. 8-8-10)	Not to exceed 25 % or 30 times the fed.mini.hrly.wages.	Bond – NA License (AS 40-12-80) – 25\$ for population below 20,000. 100\$ for population above 20, 000.
2.	Alaska Alaska Statutes (AS)	Legal: 10.5% per annum absent a contract (AS Section 45-45-010(a)). Contract: not to be above 5% points above the annual rate charged by banks. 5% not applicable where contract or loan commitment amount exceeds \$25,000 (AS Section 45-45-010(b)).	Wage exemption of an amount not to exceed \$350 of weekly net earnings. (AS - 09-38-030) May exceed upto \$550. (AS - Section 09-38-050(b)).	Bond (AS 08.24.150) - sum of \$5,000. License – required (AS 08-24-135)
3.	Arizona Arizona Revised Statutes (ARS)	Legal - 10% (A.R.S. 44-1201) Judgment - 10% (A.R.S. 44-1201)	Not to exceed 25 % (USC 15. 41. 1673)	Bond- \$10000 (minimum) based on gross income Not over \$250,000- \$10,000 \$250,001 to \$500,000- \$15,000

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				<p>\$500,001 to \$750,000- \$25,000</p> <p>\$750,001 and over \$35,000</p> <p>(ARS 32-1021)</p> <p>License- Yes</p> <p>Application Fee: \$1500 (ARS 6-126)</p>
4.	<p>Arkansas</p> <p>Arkansas Revised Statutes (Ak.RS)</p>	<p>Legal: Ten per cent (10%) per annum unless a different rate is contracted for in writing. (ARS 44-1201.)</p> <p>Judgment: 10% or contract rate. Interest on a judgment on a condemnation proceeding instituted by the department of transportation, including interest which is payable pursuant to section 12-1123, subsection B, shall be payable at the rates prescribed by Section 28-7101.</p> <p>A judgment given on an agreement bearing a higher rate not in excess of the maximum permitted by law</p>	<p>Exempts garnishment other than for child support (11-9-110).</p> <p>No proceeding of garnishment to be initiated against an insurer during the pendency of delinquency proceedings (23-68-120).</p>	<p>Bond: \$5,000 to \$25,000 (Ak.RS 17-24- 306 (a))</p> <p>License: not to exceed \$125 for licensing each collection agency and an annual fee of fifteen dollars (\$15.00) for licensing each employee. (Ak.RS 17-24-305 (a))</p>

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		shall bear the rate of interest provided in the agreement, and it shall be specified in the judgment. (ARS 44-1201)		
5.	California Code Of Civil Procedure (CCP)	Legal – 10% Judgment - 10% per annum on the principal amount of a money judgment remaining unsatisfied (Code of Civil Procedure Section 685.010).	Not to exceed 25 % or 30 times the minimum hrly. wages prescribed (CCP Section 706-050)	No License or Bond is required
6.	Colorado Colorado Revised Statutes (C.R.S)	Legal: 8% per annum, compounded annually, if there is no agreement or provision of law for a different rate. (C.R.S. 5-12-101.) Contract: The parties to any bond, bill, promissory note, or other instrument of writing may stipulate in writing for the payment of a greater or higher rate of interest than 8% per annum, but not exceeding 45% per annum. (C.R.S. 5-12-103.) Judgment: 8% per annum if no rate is specified, or the rate	25% (Section 13-54).	Bond- \$12000- \$20000 (Colorado Fair Debt Collection Practices Act § 12-14-124) License: Yes, determined by Collection Agency Board. Fee Schedule for the year 2008-2009 is available at http://www.ago.state.co.us/UCCC/PDF/FeeSched08-09.pdf Also see: http://www.ago.state.co.us/UCCC/Opinions/6-15-

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		specified in a contract or instrument in writing, from the date of entry of judgment until full satisfaction thereof. (C.R.S. 5-12-102(4).)		90% Collection Agencies as Supervised Lenders.pdf
7.	Connecticut General Statutes of Connecticut (GSC)	Legal: 8% per annum on forbearance of property loaned at a fixed valuation, or for money in the absence of any agreement to the contrary. (GSC Section 37-1.) Contract: No greater than 12% per annum on any written agreement. (GSC Section 37-4.) Judgment: 10% per annum may be recovered and allowed in civil actions or arbitration proceedings, including actions to recover money loaned at a greater rate, as damages for the detention of money after it becomes payable. (GSC Section 37-3a.)	(1) 25% of disposable earnings for that week, or (2) Forty times the higher of (A) the minimum hourly wage prescribed by Section 6(a)(1) of the Fair Labor Standards Act of 1938, USC Title 29, Section 206(a)(1), or (B) the full minimum fair wage established by subsection (j) of section 31-58, in effect at the time the earnings are payable. (Section 52-361a(f))	Bond- \$5000 (Connecticut Fair Debt Collection Practices Act § 36a-802) License- Yes, \$800 or in the case of an initial application that is filed not earlier than one year before the date such license will expire, a license fee of \$400 and investigation fee of \$100 (Connecticut Fair Debt Collection Practices Act § 36a-801)
8.	Delaware Delaware Code (DC)	Legal - 5 % (Title 6-23-2301 (a)). No interest rt. Is fixed where amount loaned exceeds \$100,000	85% of disposable earnings or disposable earnings minus \$150 weekly according to schedule. A child support payment shall	Bond: No License: annual general service license fee of \$75 (DC 2301)

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		and not secured by a mortgage. Judgment - 5 % (Title 6-23-2301 (a)) if not specified in the contract.	not be subject to garnishment (513 (i)).	
9.	Florida Florida Statutes (FS)	<p>Legal: 10% (FS Section 687-01, Section 55.03.)</p> <p>Contract: Not to exceed 18% per annum.</p> <p>If loan, exceeds \$500,000 in amount or value then no contract to pay interest thereon is usurious unless the rate of interest exceeds the rate prescribed in s. 687.071. (FS Section 687.02.)</p> <p>Judgment: 10% determined by the Comptroller of the State of Florida who sets the rate of interest for each year beginning January 1 by averaging the discount rate of the Federal Reserve Bank of New York for the preceding year, then adding 500 basis points to the averaged federal discount rate. (FS Section 55-03).</p>	<p>Home, up to \$1,000 in personal property (This \$1,000 can include wages and money held in a bank account),</p> <p>Wages of the head of a family are exempted.</p> <p>Interest in a vehicle is exempt up to \$1,000 of its value. All professionally prescribed health aids used by the debtor or his/her dependents are exempt from being taken by creditors. Other types of income, including Social Security benefits, workers compensation, unemployment benefits, disability benefits, Veteran's benefits and retirement benefits are exempt from garnishment. (Florida Civil Practice And Procedure Chapter</p>	<p>Bond - \$50,000 (FS 559-545-3)</p> <p>License: Yes,</p> <p>\$200 Registration fee (FS 559.555)</p>

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10.	Georgia Official Code of Georgia Annotated (O.C.G.A.)	<p>Legal: 7% per annum simple interest. (Section 7-4-2(a)(1)(A).)</p> <p>Contract: Not to exceed 16% per annum simple interest on written contract for loans or advances in the sum of \$3,000 or less. (Section 7-4-2(a)(2).)</p> <p>Judgment: 12% per annum or the specified rate on a written contract or obligation upon which the judgment is obtained. (Section 7-4-12.)</p>	25% of his disposable earnings for a workweek; or the amount by which his disposable earnings for that week exceed 30 times the federal minimum hourly wage prescribed by Section 6(a)(1) of the Fair Labor Standards Act of 1938, U.S.C. Title 29, Section 206(a)(1), in effect at the time the earnings are payable. (Section 18-4-46.)	<p>Bond: No</p> <p>License:</p> <p>Persons making loans and charging interest thereon at a rate of not more than 8 percent simple interest per annum shall not be required to obtain a license. (Georgia Fair Debt Collection Practices Act § 7-3-6. Exemptions)</p> <p>All persons engaged in the business of making loans of \$3,000.00 or less in the State of Georgia, unless expressly exempted there from, shall be required to obtain a license.</p> <p>Investigation fee: \$250</p> <p>License fee: \$500 (Georgia Fair Debt Collection Practices Act § 7-3-8)</p>

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11.	Hawaii Hawaii Revised Statutes (Haw. Rev. Stat.)	Legal: 10% per annum. (HRS 478-2.) Written Contract: The parties to a contract may agreed in writing to any rate of interest except that such rate may not exceed 1% per month or 12% per annum in consumer transactions involving obligations that are less than \$250,000. (HRS 478-4.) Judgment: 10% per annum on all civil judgments. (HRS 478-3).	95% of 1st \$100, 90% of 2nd \$100, 80% net wages in excess of \$200 per mo. or federal limits whichever is greater (Haw. Rev. Stat. §652)	Bond: \$25,000/\$15,000 each branch (Hawaii Fair Debt Collection Practices Act § 443B-5) License: Registration with 'DCCA' required for consumer, not commercial, collections Fee: \$ 25 - Application \$ 80 - Registration \$ 50 - Compliance \$155 for 2 years
12.	Idaho Idaho Code	Legal - 12 % (28.22.104 of the Idaho Code). Judgment - 5% (28-22-104 of the Idaho Code)	25 % as per Federal Law (11.103 of the Idaho code).	Bond - \$ 15,000 as per Title 26-2232 (2) of the Idaho Code. The amount of the bond upon renewal shall be in the amount of fifteen thousand dollars (\$15,000), or two (2) times the average monthly net collections for the preceding year computed to the next highest one thousand dollars (\$1,000), whichever sum is greater, up to a maximum of one hundred thousand dollars

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				(\$100,000) Title 26-2232 (3) of the Idaho Code. License – Required. Application fee: \$150 (Idaho Code 26-2224)
13.	Illinois Illinois Compiled Statutes (ILCS)	Legal - 5 % as per 815 ILCS 205-1 and 205-2. Judgment - 9% per annum from the date of the judgment until satisfied or 6% per annum when the judgment debtor is a unit of local government. (735 ILCS 5/2-1303).	(1) 15% of such gross amount paid for that week or (2) the amount by which disposable earnings for a week exceed 45 times the Federal Minimum Hourly Wage prescribed by Section 206(a)(1) of Title 29 of the United States Code, as amended, or, under a wage deduction summons served on or after January 1, 2006, the minimum hourly wage prescribed by Section 4 of the Minimum Wage Law, whichever is greater, in effect at the time the amounts are payable. (735 ILCS 5/12-803)	Bond: \$25000 Illinois Fair Debt Collection Practices Act (225 ILCS 425/8) License: \$750- Original \$750 - Renewal
14.	Indiana	Legal – 6%	75% exemption – federal law applies.	Bond - \$5000.

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	Indiana Code	Judgment – 6% (Indiana Code 34-54-8-5)		
15.	Iowa Iowa Code (IC)	<p>Legal: in the absence of contract 5% per year. (IC Section 535.2.) However, the legal interest rate on judgments and decrees is a floating rate presently at 7.391% unless a different rate is fixed by the contract on which the judgment or decree is rendered. (IC Section 535.3.)</p> <p>Contract: Interest rate on a written contract generally may be at such rate as the parties to the contract may agree. (IC Section 535.2.)</p>	25% - federal law applies.	NA
16.	Kansas Kansas Statutes Annotated (KSA)	<p>Legal: in the absence of a contract 10 % per annum. (K.S.A. 16-201(a).)</p> <p>Contract: not exceed 15 percent per annum applies only for loans that are made primarily for personal, family or household purposes. Business or agricultural loans are not subject to this</p>	75% of the debtor's disposable income for each pay period. If a judgment creditor assigns an account to a third party or a collection agency, the assignee may not be entitled to the benefit of a wage garnishment (K.S.A. 60-2310(d)) with some statutory exceptions.	NA

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		provision. (K.S.A. 16-207(b, (f.) Judgment – 12% (16.204-2) 10% (16.204-3)		
17.	Kentucky Kentucky Revised Statutes (KRS)	Legal - 8% per annum. (KRS 360.010.) Contract: - As per contract if amount is excess of \$15,000.00 - 19% per annum if less than \$15,000 or 4% above the discount rate on 90-day commercial papers in effect at the Federal Reserve Bank in the Federal Reserve District where the transaction is consummated, whichever is less. (KRS 360.010.) Judgment – 15% (KRS 413.090(1))	25 % (KRS 427.010.)	NA
18.	Louisiana Louisiana Statutes Annotated (LSA).	Legal: Two percent points above the coupon rate issued as ascertained by the Commissioner of Financial Institution. (LSA 13-4202.) The published juridical interest rate from January 1, 1999 to December 31, 1999 is 6.370%	25 % (R.S. 13:3881)	Bond - \$10,000 License required.

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		<p>per annum.</p> <p>Written Contract: Maximum interest rate which may be contracted generally may not exceed 12% per annum. (LSA. 2924)</p> <p>Judgment: The legal interest rate applies. (LSA- 13-4203 and 13-4202)</p>		
19.	Maine Maine Revised Statutes (MRS)	<p>In the absence of interest rate in the contract -</p> <p>Pre-judgment Interest Rate: In a District Court, the interest rate is eight percent (8%) per year.</p> <p>In a Superior Court, the interest rate is one percent (1%) above the 52-week Treasury bill rate. (14 M.R.S 1602.)</p> <p>Post-judgment Interest Rate: In a District Court, the rate is fifteen percent (15%).</p> <p>In the Superior Court, the rate is</p>	25% of the disposable earnings per workweek or 40 times the federal minimum wages (14 M.R.S. 3127.)	Bond: \$25,000 to \$50,000 License – required.

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		seven percent (7%) above the 52-week Treasury bill rate. (14 M.R.S 1602-A.)		
20.	Maryland Maryland Code (MC)	Legal - 6% per annum. (MC 12-102) Written Contract rate: a maximum interest rate of 8% per annum on a written agreement. (MC - 12-103(a)(1). Judgment: 10% per annum. (MC: 11-107.) However, a judgment arising from a contract may carry the contract rate on the unpaid balance until its maturity. (MC: 11-106.)	The greater of \$145 per week or 75% of the net wages of the judgment debtor are exempt from levy. (Courts: 15-601.1.)	Bond: \$5000 License: Yes Fee: \$200 each office
21.	Massachusetts (The General Law of Massachusetts)	Legal: 6% per annum (chapter 107, section. 3.) Written Contract rate: Such rate as maybe agreed to between the parties. (chapter. 107, section. 3.) Judgment: In all actions based on contractual obligations, interest on the judgment shall be at the contract rate, if established, or at	Garnishment of wages is permitted only upon approval of the court and only after the plaintiff has given a ten (10) days written notice to the defendant, by registered mail, return receipt requested, at his last known address, place of business or employment. (c. 246, s. 32(8).) If wages for personal labor or personal services of a	Bond - \$25,000 (93-25) License – required (93-24A)

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		the rate of 12% per annum. (c. 231, s. 6C.)	judgment debtor are attached, the sum up to \$125.00 per week may be exempt. Every writ of attachment must contain a statement of the amount exempted from attachment and also a direction to the trustee to pay over the exempted amount to the defendant in the same manner and at the same time as such amount would have been paid if no such attachment had been made. (c. 246, s. 28.)	
22.	Michigan Michigan Statutes Annotated (MSA)	Legal – 5% may not exceed 7% (MSA - 438.31). Criminal Usury – 25% (MSA 438-41-1).	Federal law applies.	License fees – (MSA: 338-2221) - (d) License fee, per year: (i) Agency non-owner manager - \$50.00 (ii) Agency - \$125.00
23.	Minnesota Minnesota Statute (MS)	Legal: 6% per annum unless otherwise agreed upon between the parties in writing. (MS - Sec. 334.01.) Judgment: The rate of interest on judgment is determined by the court administrator on or before	25 % of the judgment debtor's disposable earnings; or The amount by which the judgment debtor's disposable earnings exceed 40 times the federal minimum hourly wages in effect at the time the earnings	Bond- \$5,000 - \$50,000 License– required.

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		<p>December 20th of each year based on the secondary market yield of one year United States treasury bills, for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the federal reserve system. (MS - Sec. 549.09)</p>	<p>are payable, times the number of work weeks in the pay period. (MS - Sec. 550.136.)</p>	
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24.	Mississippi Mississippi State Code (MSC)	<p>Legal: 8% per annum in the absence of a contract. (MSC - Section 75-17-1(1).)</p> <p>Contract: 10% or 5% above the discount rate, whichever is the greater, per annum on any loan or other extension of credit. "Discount rate" refers to the rate on ninety-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district where the lender is located. (Section 75-17-1(2))</p> <p>Other Rates: Any borrower or debtor may contract and agree, in writing, to pay a lender or extender of credit any finance charge at a rate in excess of the legal rate or contract rate if the sum financed is over \$2,000.00.</p> <p>Judgment: All money judgments are entitled to interest either at the rate specified under the contract upon which the debt is derived, or at a rate to be set by the Judge,</p>	The amount permitted to be garnished generally may not exceed twenty-five percent (25%) of the debtor's disposable income for a workweek. (MSC - Section 85-3-4)	Bond – no License - \$15-\$50
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		which is generally the legal rate of 8%.		
25.	Missouri Missouri Revised Statutes (MRS)	<p>Legal: 9% per annum (MRS - Section 408.020.)</p> <p>Written Contract rate: not exceeding 10% per annum, except that, when the "market rate" exceeds 10% per annum, the parties may agree, in writing, to a rate of interest not exceeding the "market rate". (MRS - Section 408.030.)</p> <p>Judgment: Interest allowed on all money due upon a money judgment is 9%, or the rate which is agreed to by the parties in the contract upon which it is sued. (MRS - Section 408.040.)</p>	the maximum amount of aggregate earnings for any workweek subject to garnishment, not to exceed 25% or thirty times the federal minimum hourly wage prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938 in effect at the time the earnings are payable, or, if the employee is the head of a family and a resident of the State of Missouri, 10%, whichever is less. (Section 525.030.) Wages earned by a judgment debtor outside the State of Missouri generally are exempt from attachment. (MRS - Section 525.300.)	NA
26.	Montana Montana Code Annotated (MCA)	<p>Legal – 10%</p> <p>Judgment – 10% (MCA: 25-9-205)</p>	Not exceed the lesser of 25% of his disposable earnings for a workweek, or the amount by which his disposable earnings for the week exceed 30 times the federal minimum hourly wage in effect at the time the earnings are	NA

Sl. no.	State & Laws	Rates of Interest Chargeable 20	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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27.	Nebraska Nebraska Revised Statutes (NRS)	Legal – 12 % (NRS 45.102) Judgment – 1 % for decrees and judgments rendered before July 20, 2002. - 2 % decrees and judgments rendered on and after July 20, 2002.	payable. (MCA 25-13-614.) Not to exceed the lesser of the following amounts: (a) Twenty-five percent of his or her disposable earnings for that week; (b) The amount by which his or her disposable earnings for that week exceed thirty times the federal minimum hourly wage prescribed by 29 U.S.C. 206(a)(1) in effect at the time earnings are payable; or (c) Fifteen percent of his or her disposable earnings for that week, if the individual is a head of a family. (NRS 25-1558)	45-608 Licensee; bond; conditions - \$10,000 for any agency having five to fifteen licensed solicitors, and \$15,000 for any agency having less than five solicitors, Bond: \$10,000 and \$ 15,000 License: Yes Fee: (not to exceed) \$250 - Investigation \$200 - Original \$100 - Renewal \$50 - Investigation Branch Office \$35 - Original Branch Office Exemption for out-of-state collectors: Out-of-state collectors are exempt if [1] communicating by interstate means (phone, fax, mail); and [2] are "regulated" by the laws of another state. (NRS 45-
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Sl. no.	State & Laws	Rates of Interest Chargeable 21	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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				620)
28.	Nevada Nevada Revised Statutes (NRS)	As per NRS 649.375- A collection agency, or its manager, agents or employees, shall not: 2. Collect or attempt to collect any interest, charge, fee or expense incidental to the principal obligation unless: (a) authorized by law or as agreed to by the parties; (b) authorized by law or as agreed to by the parties has been added to the principal of the debt by the collection agency (c) has been judicially determined as proper and legally due from and chargeable against the debtor. NRS 99.040 1. In the absence of a contract, interest must be allowed at a rate equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial	25 % of his disposable earnings for the relevant workweek (NRS 31.295 (2) (a)); or The amount by which his disposable earnings for that week exceed 50 times the federal minimum hourly wage prescribed by section 6(a)(1) of the federal Fair Labor Standards Act of 1938, 29 U.S.C. § 206(a)(1), in effect at the time the earnings are payable, whichever is less (NRS 31.295 (2) (b)).	Bond - \$25,000 - \$50,000 License – required.

Sl. no.	State & Laws	Rates of Interest Chargeable 22	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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		<p>Institutions, on January 1 or July 1, as the case may be, immediately preceding the date of the transaction, plus 2 %, upon all money from the time it becomes due, in the following cases:</p> <p>(a) Upon contracts, express or implied, other than book accounts.</p> <p>(b) Upon the settlement of book or store accounts from the day on which the balance is ascertained.</p> <p>(c) Upon money received to the use and benefit of another and detained without his consent.</p> <p>(d) Upon wages or salary, if it is unpaid when due, after demand therefore has been made.</p> <p>The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the judgment is satisfied.</p>		
29.	New Hampshire	Legal interest – 10%.	50 times the federal minimum hourly wage (all future wages	Not required.

Sl. no.	State & Laws	Rates of Interest Chargeable ²³	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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	New Hampshire Revised Statute Annotated (N.H. Rev. Statute. Ann)	Judgment – 10 % N.H. Rev. Statute. Ann. _ 336:1	are exempt).	
30.	New Jersey (New Jersey Statute Annotated)	Legal - 6% per year, unless there is a written contract, Contractual - 16% per year. (N.J. Statute. Ann. 31:11) Judgment – not provided.	\$142.50 wk. min. 10% of gross earnings \$142.50 & Over.	Bond: \$5000
31.	New Mexico New Mexico Statutes and Court Rules (N.M.S.A)	Legal - in the absence of a written contract fixing a different rate, shall not exceed 15% annually in the following cases: A. on money due by contract; B. on money received to the use of another and retained without the owner's consent expressed or implied; and C. on money due upon the settlement of matured accounts from the day the balance is ascertained.	Exempt from garnishment – 75% or an amount each week equal to forty times the federal minimum hourly wage rate. The director of the financial institutions division [of the regulation and licensing department] shall provide a table giving equivalent exemptions for pay periods of other than one week. (Section 35-12-7 A of the NMSA)	Bond - \$5,000. 61-18A-15 License: Yes Fee: \$500 - original collection agency or branch \$300 - renewal collection agency or branch \$100 - examination fee for manager's license \$50 - manager renewal

Sl. no.	State & Laws	Rates of Interest Chargeable ²⁴	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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		Judgment - eight and three quarters percent per year in the absence of a written contract. (N.M.S.A. 56-8-4).		Exemption for out-of-state collectors: Out-of-state agency is exempt if [1] collecting by interstate means (phone, fax, mail); and [2] debt was incurred outside the state of New Mexico.
32.	North Carolina (North Carolina General Statutes)	Legal – 8 % per annum (N.C. Gen. Statute. _ 24-1). Judgment – 8 % (N.C. Gen. Statute. _ 24-5)	100% of last 60 days' earnings for family support. Garnishment only by political subdivisions for taxes, ambulance fees, etc.	Not provided in North Carolina Fair Debt Collection Practices Act
33.	North Dakota North Dakota Century Code (NDCC)	Legal – 6 % (NDCC 47-14-05). Judgment –12 % in the absence of a contract. (NDCC 28-20-34).	Not to exceed the lesser of 25 % or not to exceed forty times the federal minimum hourly wage. (NDCC 32-09. 1-03)	Bond: \$20000 License required Investigation Fee \$400 Annual License Fee \$300 The applicant shall pay an annual fee of \$50 additional branch location (North Dakota Fair Debt Collection Practices Act 13-05-04)
34.	New York	Legal – 16 %	90% (New York Code (5205 – (d))	Bond: No

Sl. no.	State & Laws	Rates of Interest Chargeable 25	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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	New York Code	Judgment – 9% (Article 5004 NY. Civil Practice laws & Rules)		License: No
35.	Ohio Ohio Revised Code (ORC)	Legal – 8 % (ORC 1343 – 01 .A) Judgment - 8 % (ORC 1343 – 02 .A)	25 % (ORC- 2716- 07).	NA
36.	Oklahoma Oklahoma Statutes (OS)	Legal – 6% (OS - 15-266) Judgment – not to exceed 10% (OS - 12-727B)	Maximum not to exceed the lesser of 25% of his disposable earnings for that week; or thirty times the federal minimum hourly wage prescribed (OS - 14A-5-105 (2) (a) and (b)).	NA
37.	Oregon (Oregon Revised Statutes)	Legal – 9% (ORS 82010- 1) Judgment – 9% (ORS 82010-2)	Not to exceed 25 % or 30 times Fed. Mini. hourly wage - follows federal laws.	A Bond or an irrevocable letter of credit in the sum of \$10,000 Registration required and fee as fixed by the Director (Oregon Fair Debt Collection Practices Act §697.031)
38.	Pennsylvania Pennsylvania Statute. Annotated	Legal – 6 % (Pa. Statute. Ann. tit. 41, _ 201) Judgment - 6 % (Pa. Statute. Ann. tit. 41, _ 201)	Exemption of 100%	No Bond No License (Pennsylvania Fair Debt Collection Practices Act)

Sl. no.	State & Laws	Rates of Interest Chargeable ²⁶	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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39.	Puerto Rico (Laws of Puerto Rico)	Legal- 6% (In the absence of a prior agreement in writing). It shall not exceed 9% when the capital sum subject to the loan or agreement does not exceed \$ 3,000 and 8% when it exceeds said amount (Laws of Puerto Rico 31-343 - 4591). Judgment: the Commissioner of the Board of Financial institutions in every 6 months regulates it.	Applies the federal laws – 25% of disposable earnings or 30 times the fed.mini.hrly.wages.	License Fees - \$2,500 (plus \$50 for every agent) - \$25,000. Bond – \$250,000 – 1 million dollars based on the volume of business and the financial situation of the concessionaire. (Title 10-303-2257)
40.	Rhode Island Rhode Island General Laws	Legal – 12 % (Rhode Island General Laws 6-26-1) Judgment - 12 % (Rhode Island General Laws 6-26-1 and also 9-21-8).	Not to exceed 25 %	NA
41.	South Carolina South Carolina Code of Laws (SCCL)	Legal – 8.75% (SCCL - 34-31-20 (A)) Judgment – 12% (SCCL - 34-31-20 (B))	The earnings of the debtor for his personal services cannot be so applied for satisfaction of the Judgment (SCCL - 15-39-410). 100% exemption for foreign judgment for garnishment	NA

Sl. no.	State & Laws	Rates of Interest Chargeable ²⁷	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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42.	<p>South Dakota</p> <p>South Dakota Codified Laws (SDCL)</p>	<p>Legal – in the absence of a contract 15 % (SDCL 54-3-5)</p> <p>Judgment – 10% (SDCL 54-3-5.1 & SDCL 54-3-16)</p> <p>Judgments arising from inverse condemnation actions – 4.5%</p> <p>Contract rate not specified –12% (SDCL 54-3-4)</p>	<p>(SCCL - 15-39-420).</p> <p>Maximum amount may not exceed the lesser of:</p> <p>(1) Twenty percent of disposable earnings for that week;</p> <p>(2) The amount by which disposable earnings for that week exceed forty times the federal minimum hourly wage prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938,</p> <p>or</p> <p>any equivalent multiple thereof prescribed by regulation by the secretary of labor in case of earnings for any pay period other than a week, in effect at the time the earnings are payable less twenty-five dollars per week for each dependent family member residing with the garnishment debtor other than the garnishment debtor himself or</p>	NA
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Sl. no.	State & Laws	Rates of Interest Chargeable ²⁸	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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			herself.(SDCL 21-18-51)	
43.	Tennessee Tennessee Code (TC)	Legal- 10% unless provisions of other statutes fix a maximum effective rate of interest for particular categories of creditors, lenders, or transactions. (TC- 47-14-10) Judgment- 10% (TC- 47-14-121).	25 % or the amount by which the disposable earnings for that week exceed 30 times the federal minimum hourly wages at the time the earnings for any period become due and payable. (TC 26-2-106).	Bond: Yes The amount of surety bond shall be pro rated and based on the certified number of employees per collection agency as follows: 1-4 employees- \$15,000 5-9 employees- \$20,000 10 or more employees- \$25,000 (Tennessee Fair Debt Collection Practices Act 62-20-106) License: Yes. Prescribed by Collection Services Board (Tennessee Fair Debt Collection Practices Act 62-20-106) Renewal Fee: \$ 350.00 \$25 for each solicitor's card.
44.	Texas Texas Finance Code (TFC)	Legal: 10%. (TFC Section 302-001) Judgment: contractual or 18%	100% exempt (3-63-004)	Bond - \$10,000 (392-101).

Sl. no.	State & Laws	Rates of Interest Chargeable ²⁹	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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45.	Utah Utah Code (UC)	<p>(TFC Section 304-002)</p> <p>Legal- 10%, unless parties to a lawful contract specify a different rate of interest (U C 15-1-1)</p> <p>Judgment- as mentioned in the contract, which shall be specified in the judgment.</p> <p>Other judgments shall bear interest at the federal post judgment interest rate established for the federal court system under 28 U.S.C. Sec. 1961, as amended as of January 1 of each year, plus two percent. (UC 15-1-4)</p> <p>The rate as fixed by 28 U.S.C. Sec. 1961, as amended from the years 1994- 2009 is available at</p> <p>www.utd.uscourts.gov/documents/judgpage.html</p>	<p>25% or amount by which his disposable earnings for that pay period exceed 30 hours per week multiplied by the federal minimum hourly wage prescribed by Section 6 (a)(1) of the Fair Labor Standards Act of 1938, 29 U.S.C., Section 206 (a)(1), in effect at the time the earnings are payable.</p> <p>(UC Section 70C-7-103)</p>	<p>Bond sum of \$10,000 (U C12-1-2)</p> <p>Term of Bond: 1yr (UC 12-1-3)</p>
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Sl. no.	State & Laws	Rates of Interest Chargeable 30	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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46.	<p>Virginia</p> <p>Code of Virginia</p> <p>Title 12-1-7 - Exceptions.</p> <p>This title does not apply to:</p> <p>(1) an attorney authorized to practice in this state;</p> <p>(2) a national bank;</p> <p>(3) a bank or trust company incorporated under the laws of this state; or</p> <p>(4) the following licensed under Title 31A, Insurance Code:</p> <p>(a) a title insurance agency; or</p> <p>(b) a title insurance producer.</p>	<p>Legal- 6% (Code of Virginia § 6.1-330.53)</p> <p>Judgment- 6% (Code of Virginia § 6.1-330.54)</p>	<p>Max. amount due as per the summons (Code of Virginia 8.01-512.3)</p> <p>or 25 % of the max. portion of earnings subject to garnishment or 40 times the fed. Mini. Hrly. Wages (Code of Virginia - 34-29 9 (a) (1) (2)).</p>	<p>Bond: \$5000</p> <p>License: Depends on Locality</p> <p>Fee: No</p>
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Sl. no.	State & Laws	Rates of Interest Chargeable 31	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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47.	Vermont (Vermont Statutes)	Legal – 12% (VS 9-41.a) Judgment – 12%	Follows federal laws.	NA
48.	Washington (Revised Code of Washington)	Legal-12% (RCW 19.52.020) Judgment 12% (RCW 4.56.110)	Exempt 75 % or 30 times the Fed. Mini. Hrly wages Exempt 50% of the individual is supporting a spouse or dependent child. Exempt 40% if not supporting such a spouse or dependent child. (6-27-150 (1) a & b).	Bond and License required (19-16-110 & 19-16-190).
49.	West Virginia West VA Code	Legal – 6% (West VA Code 47-6-5) Judgment – 3% points above the Fifth Federal Reserve District secondary discount rate in effect on the second day of January of the year in which the judgment or decree is entered: <i>Provided</i> , That the rate of prejudgment and post-	20% of disposable income or 30 times the minimum hourly rate whichever is less (West VA code 38-5A-3).	Bond and License - Required for each collection agency, including each principal office and all branch offices. (West V A Code 47-16-4).

Sl. no.	State & Laws	Rates of Interest Chargeable 32	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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		judgment interest shall not exceed 11% per annum or be less than 7% per annum. (56-6-31).		
50.	Wisconsin Wisconsin Statutes & Annotations (WSA)	Legal-5% (W.S.A 138.04) Judgment- 12% (W.S.A. 814.04.)	80% of the debtor's disposable earnings are exempt from garnishment. (Wisconsin Statutes 812.34(2)(a)) The debtor's earnings are totally exempt from garnishment if: The debtor's household income is below the poverty line, The debtor receives need-based public assistance, has received such assistance within 6 months prior to service of the earnings	Bond: fixed by the Division of Banking (Wisconsin Statutes 218.04(3)(d)) License: Yes, Annual License Fee \$200 Investigation fee \$1,000 if the cost of investigation exceeds \$1,000, the applicant shall, upon demand of the division, pay the excess cost. No investigation fee is required on

Sl. no.	State & Laws	Rates of Interest Chargeable 33	General Garnishment Exemptions (As per USC 15. 41. 1673 -75% of wages are exempt from garnishment)	Collection Agency Bond & License
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			<p>garnishment forms upon the garnishee or has been determined eligible to receive need-based assistance although actual receipt of benefits has not commenced,</p> <p>If the garnishment of 20% of the debtor's disposable income under this subchapter would result in the debtor's household income being below the poverty line, the amount of the garnishment is limited to the debtor's household income in excess of the poverty line before the garnishment is in effect. (Wisconsin Statutes 812.34(2)(b)).</p>	<p>the renewal of a license. (Wisconsin Statutes 218.04(3)(b)).</p>
51.	Wyoming Wyoming Code (WC)	<p>Legal- 7% (WS 40-14-106 (e))</p> <p>Judgment- contract rate or 10% judgment rate (WS 1-16-102)</p>	<p>Maximum portion is lesser of 25 % of the disposable earnings or 30 times the federal minimum hourly wage prescribed by the Fair Labor Standards Act of 1938, 29 U.S.C. 206(a)(1) (WC 1-15-408).</p>	<p>Bond - \$10,000 (33-11-108)</p> <p>License – yes (33-11-102)</p>